1: Bowen-Jones et al. K-5 (1955-1958) 1961
EZ6 Malta EZ6

group. From 1851, when it composed 45 per cent. of the total, this element steadily decreased, absolutely and relatively. This general trend resulted from normal sociological changes consequent on a maturing of the whole economy and from the growing dominance of male employing service industries. At the same time, the preponderantly feminine cotton industry was steadily declining (see pp. 123 and 124).

One of the most significant indicators of economic change is that of male employment in agriculture (Fig. 31). During the first century of British rule, agriculture played no part in the economic expansion which was in train. Agricultural prosperity became a function of general prosperity and therefore to a large extent mirrored external fortune. Employment in the industry on the other hand, except for the shortlived cotton growing boom of the 1860's during the American Civil War, varied inversely with general economic activity. In Malta, as in most countries, it would be true to say that rising profits in farming benefited existing producers but failed to attract net incomers. On the other hand, population growth, the cessation of employment elsewhere, obstacles to emigration or even forces producing a return of migrants all periodically forced some workers back on to the land. Thus in the years between 1851 and 1871 while the population was growing more quickly than the slow but accelerating commercial activity, sheer population pressure and migration trends (16) forced the level of male agricultural employment from c. 7,000 to c. 9,000. During the Golden Years and the subsequent period of large-scale dockyard and public works construction numbers fell once more to c. 7,000 in 1901. Later stagnation in commerce and a decline in constructional work culminating in a severe depression (necessitating a Royal Commission) were marked by an increase in the number of farmworkers to 8,500 in 1911. These general fluctuations can be corroborated by reference to farm family histories and by changes in the availability of land. Behind the overall absence of numerical change and of those of secular variations we may discern some of the fundamental features of Maltese agriculture. By the middle of the nineteenth century, the better land had already been occupied by as many farmworkers as contemporary productivity could properly support. This number remained more or less constant, first because the economic and social climate was not propitious to the labour saving innovations which were sweeping over Europe, and secondly because the intake of land from waste did little more than compensate for losses elsewhere. We have a picture of a technically static, status declining and credit starved industry which from time to time lost some of its most vigorous and enterprising young workers or gained a flood of generally poor and semi-skilled labourers.

More true of Malta than of Gozo, this picture must be modified to accommodate regional differences and changes. Already in the eighteenth century, as we have noted, a cleavage existed in Malta between the *urbs* around Valletta, the Old City of Mdina-Rabat, and the rural communities. By the middle of the nineteenth century, this had developed into an embryonic form of the present division into urban, suburban and rural communities (Fig. 36). The social and demographic reasons for and implications of this are considered elsewhere (Chapter VI A) but the internal economic factors need present consideration.

Before the building of the railway in 1881, the tramways in 1905, and the later motorable roads, communication between villages and between country and town was relatively limited. Within those areas physically closest to what had now become the Grand Harbour the attraction/repulsion effects on agricultural employment were most strongly felt. On the eastern urban fringe, in the Żabbar area, these fluctuations were very violent and indicative of too complete reliance on two simple forms of economic activity, dockyard work and farming. On the western fringe the expanding economic and political functions of the nuclear *urbs* overwhelmed old villages such as Birkirkara and created new townships such as that of Hamrun in a more complex urbanisation (Figs. 33 and 39). Fluctuations in agricultural employment still occurred but these were less important than the steady decline in the total.

The changes outlined above proceeded slowly but at an accelerating rate during the second and third quarters of the nineteenth century. By 1871 popula-

[Text Continues on p. 123]

I: Bowen-Jones et al. K-5 (1955-1958) 1961
EZ6 Malta EZ6

B. Economy and Trade

In any schematic division of history into periods there must be dangers and difficulties. Nevertheless, some themes of significance to our present study, naturally as well as for reasons of convenience, are best treated in this way. It is impossible to be precise about the date of birth of modern Malta in that different land marks might well be used in pursuing different lines of thought. Thus, constitutionally the year 1921 is of most significance, while the Royal Commission of 1911 is in some ways an economic obsequy for nineteenth-century Malta. In the sections that follow, therefore, arguments cannot be chronologically in step. Moreover, this, our last period, is the most well-documented of all and the irregularity of coverage most considerable. Some of the arguments earlier developed need little further emphasis in that some conditions and attitudes firmly established by the beginning of the twentieth century need merely to have their survival confirmed and readers referred to relevant material. Henceforward, therefore, our treatment can legitimately be more selective.

This period of Modern British Malta must be further subdivided. The first phase drew slowly and uneasily to a close during our period of research. It was formally ended by the suspension of the constitution in 1958. The new constitutional proposals of 1960 mark the official beginning of a second phase. The interregnum was the period of the transference of the Naval Dockyard to a civilian firm of ship repairers. In that we attach the greatest importance to the study of the fundamental infrastructure on which Maltese life has and will be based, most of the following analysis is concerned with the first phase - the climacteric of British rule in Malta. Our comment on more recent happenings is therefore deliberately restricted.

The Census of 1912 noted that in the decennial period 1901-11... 'productiveness has not risen in proportion to the increase of the population'.

The recorded Civil population in 1911 was 211,564. While in 1901, 28 per cent. of the female population was gainfully occupied, ten years later the proportion had fallen to 20 per cent. Henceforth male employment alone was of significance. The male labour force, which for analytical purposes was regarded as excluding only the age-group below five years of age, totalled 92,529. Of these almost 12,000 were engaged in agriculture, 19,489 in commerce and transport, and over 21,000 enumerated as having 'industrial' occupations. 31,385 were returned as unoccupied or unproductive.

The opening quotation is strictly an actuarial statement based on demographic facts. Behind the Census figures however we may perceive, by using various pieces of evidence, an economic basis for its sombreness. By comparing details of the 1911 enumeration with those for 1921, the first year in which unemployment within occupational groups was recorded, we may deduce that some 10 per cent. of the able male labour force was in fact without employment during the earlier year. By 1907, 10 per cent. of the ships cleared from Malta left in ballast (1). Between 1901 and 1911, the numbers of farmers and farmers' relatives assisting on the land increased by 3,000 and the number of labourers fell by 1,259 (2). Only once between 1906 and 1914, in 1908-09, did Government Revenue not show a deficit (3). In 1905, 9,175 men were employed in the Naval Establishments but this had fallen to 5,181 in 1906 (4). Many such facts could be quoted to prove the existence of an economic depression in Malta during the years following 1906, a situation which induced the setting up in 1911 of a Royal Commission to consider the financial situation. The array of evidence does more than this, it also shows that this was no simple secular trend but a sign of uneasy adjustment to new circumstances, an adjustment that is still in progress. This is why the Report of the 1911 Commission is of more than contemporary importance (5) and why its study is essential to any serious consideration of Maltese problems.

433 458 The main relevant conclusion was unmistakably ominous: 'Government expenditure has more than made up for that of the Knights, and has diverted more of the labour of the population to the service, direct or indirect, of the foreign government which applied it to purposes entirely Imperial and unconnected with the special interests of the colony. Doubtless this expenditure has led to immediate prosperity... but the basis of this prosperity is artificial and precarious' (6). It is possible to argue the degree of validity of the third premiss of the first clause but the general truth is undeniable. This general picture is so clear that in this particular chapter attention will be focussed only on some aspects of the Maltese economy as it has developed during the last 50 years.

43 The changing character of Maltese Trade is well evidenced in the annual reports of the Customs and Port Department. Before World War I, Malta was still of some importance in Mediterranean transit trade, particularly for goods destined for North African and Levant ports. Between 1910 and 1922 the annual average weight of such merchandise handled was 17,000 tons (7). This activity almost disappeared during hostilities and after a short post-war boom settled down at a new low level handling only some 3,000 tons of merchandise. In part this was due to the elimination of the important German and Austrian connection which, in a Report published in 1919 (8), was the subject of much hostile Maltese comment. More important was the fact that the gap thus left was not filled by other foreign or local interests. The Maltese writers of the 1919 Report were not able to obtain their desire 'to have a company formed by a few merchants, who would thus teach Maltese capitalists that the investment of moneys in industries and especially in shipping is more profitable and better for the Islands and for the capitalists themselves, than the investment in doubtful securities or in reckless speculation'. The fundamental difficulties of expanding port [504] activity have remained. Malta, for all the grandiloquence of the name 'Grand Harbour', has until very recently possessed but poor physical facilities for handling shipping. All vessels of over 2,000 tons have had to be worked by lighter, and civil repair facilities as well as warehousing have been extremely limited. In that the needs of the Fleet have been paramount this is understandable; the consequences have been deplorable. The absence of enthusiasm for [454] local investment of Maltese capital has been equally inhibiting. There survives, even intensified during the 1930's, a traditional feeling of insecurity which was succinctly noted by a banker giving evidence before the 1911 Commission: 'There is plenty of money in the Island... there is not much trust, I think' (9). Even now, while the rate of saving in Malta is very high - c. 14 per cent. of total personal income, too large a proportion of the savings are invested abroad - some £70 millions. Given this basic insecurity, which still appears in conversations with business men and which is so deeply rooted as to be very difficult to remove, development is difficult. Moreover, since the Maltese for an island [298] people are singularly non-maritime in character, and, in conditions no more difficult than in many other parts of the Mediterranean, have almost ignored the fishery industry (10), there exists no traditional basis for marine affairs. In these circumstances the value of the handing over of the Naval base to British civilian firms, and the policy of attracting foreign (mainly British) manufacturing concerns, thus making available both facilities and most of the capital, is on economic grounds indisputable.

439 457 One other aspect of port and trading activities must be examined, the nature and balance of imports and exports. The changing character of world trade in the first place has vitally affected the nature of Malta's entrepôt activity. By 1956, the value of re-exports had reached over two and a half million pounds, of which one and a half million represented mineral fuels and lubricants, mainly aviation spirit and turbine fuel (11). This is still the pattern today. Of Malta's transit trade in re-exports, by far the biggest proportion is concerned with supplying the Garrison in its new and more mobile form. The imbalance between retained imports and domestic exports remains essentially similar to that observed very much earlier and is best examined in conjunction with other economic elements.

457 511 lack of distinction between the money spent on the farm and that spent on the household.

In Case X there is an exceptional degree of trust and [593] co-operation between husband and wife. Unlike the average Maltese farmer, the husband in this Case (literate and English-speaking) keeps some check on income and expenditure in the form of receipts and documents relating to the Pitkal and other transactions. He observes that his keeping such vouchers was regarded as "a waste of time" by his contemporaries until an instance arose where they proved of major importance and benefit.

[454] At the end of 1957 he talked vaguely of a bank balance of £1,000. By April of the following year this had fallen to "£600" on account of certain heavy expenses (v. Case X). The period in question was financially atypical for this man because he was at the time rapidly expanding his herd of pigs, and he also suffered very badly from the severe storms of October, 1957.

The preparation of any kind of account for him or for any farmer like him is further complicated by the uncommercial approach which is made to the labour of the farmer himself(and in this Case that of a brother and nephew who normally work with him). Tasks are performed because custom demands that they are done and a job is not neglected because the return on it is insufficient. Thus [511] the labour of the farmer and his relatives does not figure as a cost in production (Section 2).

His income derives largely from the sale of fruit 434 (figs, apples, plums, pomegranates, etc.) but is variable. 454 In 1953 the two brothers shared £620 but in the 1956-57 458 season a larger amount of actual produce fetched only £340 to be shared between the two men. The nephew "receives something when a crop is sold". Other items sold in 1956-57 were grapes (£32) and smaller sales of tomatoes, sulla and potatoes. Thus in the 1956-57 season each of the brothers received a gross profit of about £250 on produce sold. This takes no account of food consumed directly by the family (for details v. Case X) nor of the virtual income in a poor year such as 1956-57 from savings. This feature is crucial. Given the normal conditions of peace, with no distortions as a result of war and siege, it becomes clear that the Maltese farmer is, in the great majority of cases, attempting to gain on the swings of the good year the saveable profit which he expects to lose on the roundabouts of a bad year not far hence. This insecurity of his capital is important in [181] his reluctance to lay out money on new methods of production or farm management and in part also echoes the conservation and inertia of the traditional peasant

175 288 the Royal Commissioners reported (B/184) that "The principal manufacture of the casals[28] is spinning with the spinning-wheel, or sometimes with the spindle. Second to this is the weaving of canvas, cotton and cloth used for clothing by the country people, and the necessary preparatory work, 175 178 288 such as winding, beating the cotton, etc." But the industry was then much weaker than it had been two generations before and as it retreated during the nineteenth century no ready replacement was forthcoming from [462] within agriculture itself. The farmer had to rely on other crops while, socially, the change affected the family as a working unit for cotton processing had been 175 178 288 735 511 largely the work of women. Even in 1839 a considerable amount of blame for the prevailing low living standards could be attached to the decline of cotton. The Commissioners reported that the prevalent poverty had become worse since 1814 on account of the shortage of work and that unemployment was worst of all in the rural districts, the cotton areas, where the small wages not only precluded saving but also led to begging and stealing which was "One of the worst consequences of the prevalent poverty and at the same time a most active cause of it" (B/184).

Poverty, wages, sanitation and disease gave rise to much concern and investigation in the middle decades of the nineteenth century - especially in so far as the conditions of the labouring and rural classes were concerned. The Royal Commissioners' report in 1838-9 (B/184); Midge in 1840 (B/516); the Census two years later and those made in 1851 and at ten-year intervals thereafter (B/166,167); reports on sanitary conditions in 1867 and 1874 (B/223,226); on distress in 1824 and 1867-68 (B/205,207); on mortality in 1874-75 (B/225, et seq); and on cholera in 1865 (B/224), all threw light on the poor living standards of the Maltese. However the 1874-75 report on mortality did hasten to qualify its observations with [262] "Poverty, indeed, at present, is not generally so great as it was in former times (about 40 years ago), when the bulk of the lower classes, especially in the country districts, lived constantly on barley bread of the worst description" while "It must also be admitted that the sanitary condition of these Islands, generally, is not so bad as that of other countries, and that, of late years, it has improved..." (B/225, p.7).

175 511 [369] [464] [458] The basic conclusion to emerge from this evidence is that there existed a considerable gulf in general living standards between the people of the towns and those of the country. There was also an important contrast within the most rapidly expanding (cotton) area,

175 458 511 [468] [184] between the unskilled labourer and the skilled. This dichotomy was a regular feature during the nineteenth century, as in the twentieth, and is to be distinguished from the rise and fall of prosperity and depression which characterized the totality of economic life in Malta. Malta was highly susceptible to events in the Mediterranean basin and in Europe as a whole and was much affected by changes in trading patterns and in strategy, so that the fortunes of the Maltese fluctuated with the alternation of prosperity and depression during the nineteenth century. [731] The sequence of wars, trade booms and slumps, droughts, epidemics and other events which affected the Mediterranean in general was particularly strongly felt in vulnerable Malta (B/556).

175 184 511 178 The major economic developments arising from the growth of the dockyard and the consolidation of the Islands' role have been outlined in Section 1. The various stages in this expansion were reflected in the economic life and the living standards of the Maltese just as the chain of external events made their presence felt. In all this the fortunes of one section of the population, such as the farming community, could at no time stand unaffected by fluctuations within the economy of the Islands as a whole.

175 178 [184] [871] Malta remained sharply divided within itself by class, district and education and the parallel differences of living standards between one section of society and another were continued. But the later decades of the nineteenth century saw, on the social as distinct from the economic plane, the beginnings of general education which, during the present century, was to remove the illiteracy which had for so long prevented the rural classes in Malta and Gozo from having any experience of life and society outside the limits of the village.

[184] [369] Improvements in transport and communication within the Islands and the spread of amenities from the Urban area to the villages in the later nineteenth and in the twentieth centuries further tended to remove the veil of isolation which had shrouded the villages of Malta and Gozo and kept them cut off from the social and cultural changes of the towns. [621] Traditionally, each village had been a closely-knit unit under a Parish priest, having little contact with Valletta and perhaps less with the villages in other parts of the Islands (Section 1).

In the later decades of the nineteenth century the forces indicated were beginning to modify the position but it was not until the present century and particularly

178 175 the years after 1939 that the cumulative effects of education, emancipation and communication were to produce a society very different from that which Maltese country folk had known for centuries (Section 1). It became different when the traditionally depressed sections of the community became restless and began to demand the improvements in their living standards which they came to believe should be theirs by right as well as need.

178 184 369 This is not to suggest that the present position of Maltese rural society is an 'end-product' of change. The opposite is true. The old and new exist side by side in agriculture and in the farming community of the Islands today. Some people, some places, and some features of life and work hold far more tenaciously to the old than do others where comparatively few years have seen considerable modifications of the traditional pattern.

175 458 464 511 By 1912, the Royal Commissioners were able to observe that the living standards of the labouring classes of Malta and Gozo compared well with those of other Mediterranean countries (B/186, p.25-6). "Building", they said, "is cheap and good and the country people are exceptionally well-housed". But, in their consideration of the economic state of the Islands as a whole, the Commissioners thought the picture much more gloomy. The depression which they found, though of only recent appearance, was being felt by the mass of the people, although "until the advent of the present depression, the condition of the people has been one of comparative comfort". To appreciate "The present distress, and the greatly extended unemployment of the working people of Malta.....it is necessary to recognise the entirely artificial nature of their former prosperity and employments, which depended to a large extent upon Imperial expenditure...." (B/186, p.12). Here did the Commissioners strike at the root of the problem which has grown to formidable proportions in the half-century since the report was made. They pointed to the position in which the economic structure of the country as a whole was based on the shifting sands of Imperial naval and military expenditure and in which the living standards of the Maltese population were therefore tied indirectly and directly to that Imperial expenditure. Moreover, within the Maltese population itself, it is not difficult to see that the first to be hit by a drop in Imperial expenditure (as happened between 1902 and 1911 and, again, in the post-1945 period) were and are the labouring and poorer classes generally lacking alternative employment in the Islands, in the event of their becoming redundant, and having often little or no capital reserves.

175 Here the agricultural labourer has been in a much stronger
458 position than the townsman for he has had the land to which
464 he could return when no other work was available. Thus the
469 degree of emphasis on the land within the past hundred years is seen to have varied inversely as the general level of prosperity in the Islands (Section 2).

178 The recent growth of part-time farming in Malta may be
241 related to an attempt by the countryman to benefit from the
464 higher wages and status attached to non-agricultural
458 pursuits and yet at the same time to maintain the foothold
554 on the land as if he were contemplating retreat thither in some future period of major economic recession and depression in the Islands. The difficulty here however is that Maltese farming as it is cannot support more than a minor part of the total population. As an economic retreat it therefore has severe limitations: but the
554 problem goes further. The present younger generation in the farming community, in its anxiety to free itself from the stigma and status of farming and village life, is cutting as many ties with the land as it can - and as quickly. Therefore the foothold in farming, even for the few who might rely on it in time of distress, is weakening. The estrangement threatens to become too complete to allow of reconciliation.

175 Something of the change in twentieth century Maltese
465 agriculture may be seen from that afore-mentioned index, the wage rate. Without attempting a full analysis which would necessitate a consideration of the changing wage structure within the total employed sector of the population, an indication of average wage-rates for sample years available illustrates the steady level in the nineteenth century followed by a gradual increase in the first decades of the present century, and, after the 1939-45 War, a rocketing in the generally accepted level of the agricultural wage. It may also be observed that the agricultural wage, while generally lower than the average labouring remuneration during the nineteenth century is, today, equal to or even more than the general labourer's wage - an indication of the prevailing supply and demand of agricultural labour.

Daily wage of male agricultural labourer:

1826-42	6½d - 8d	(B/556, p.215)
1843-54	8d - 10d	"
1855-56	1s - 1/6d	"
1857-65	1/3d - 2/6d	"
1866-85	10d - 3/6d	"
1907-08	1s - 2/4d	(B/165 - 1907-08)
1921	3s	(B/165 - 1921)
1936	3s - 3/6d	(B/165 - 1936)
1957-58	20s - 25s	(Personal Investigation)